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Montana Department of Agriculture

EDUCATION LOAN PROGRAM

Montana Department of Agriculture
R.D.U. Form No. 7 (12-76)

PURPOSE

The Montana Department of Agriculture's Educational Loan Program is designed to provide financial assistance in the form of loans to individuals of Montana rural families. It is the Department's goal to ensure that rural individuals have an opportunity to obtain an education, establish a more secure future, and provide a maximum contribution toward the development of their community and Montana.

Loans will be made and insured in conjunction with the Federally Insured Student Loan Program (F.I.S.L.); however, the Department of Agriculture may make direct loans if the prospective borrower is ineligible for federal insurance, and unable to acquire funds from other sources at reasonable rates and terms. All loans are made from the assets of the former Montana Rural Rehabilitation Corporation.

PROVISIONS

Loan funds may only be used for educational expenses. If after disbursement of loan funds, the applicant does not attend school, the purpose of the loan has been dissatisfied and the entire unpaid indebtedness will be immediately due and payable.

Loan funds may be used for any eligible school or college in the state of Montana. Exceptions may be made for eligible institutions providing training not available within the state of Montana.

ELIGIBILITY

Applicants must come from a rural background and have a good high school record. They must be ambitious, honest, and unable to acquire financial assistance from any other source at reasonable rates or terms.

Applicants must be residents of Montana and citizens of the United States.

APPLICATIONS

Application must be made on R.D.U. Form No. 19 as well as pertinent federal application forms. All applications must be completed in full before they are eligible for processing and review.

Extreme accuracy should be maintained by the applicant, as serious legal responsibilities are incurred upon receiving the loan. Accuracy and completeness will also greatly reduce time lag in processing the application.

Application should be filed at least six weeks in advance of the time school will start.

Applicants are responsible for scheduling a personal interview with a representative of the Department of Agriculture.

INTEREST AND TERMS

The current rate to students qualifying for the F.I.S.L. program is 7% annual interest. Eligible applicants do not accrue an interest charge on their loan until nine months after they cease to be enrolled in an eligible school.

The maximum loan amount per year is $2,500 or actual academic costs, whichever is less. The aggregate total for any student in this educational loan program is $10,000. Every applicant will be considered individually according to need and other funds available.

REQUIREMENTS

It is stressed that the applicant is under complete obligation to repay their loan in full. The importance of the manner in which he or she handles this obligation cannot be over-emphasized. The Education Loan Program provides the applicant with a golden opportunity to further his/her education, establish good credit, and build a sound financial reputation.

Students under this program must take at least one half the normal credit load, as determined by the school. All requirements as established by the Federally Insured Student Loan Program must also be followed.

Loan disbursements will be made in quarterly/semester allotments. Grade and credit confirmation must be received from the student each quarter/semester before funds will be disbursed for the following period.

Applicants must report any address changes and student status changes to the Montana Department of Agriculture. Upon terminating school, the student must contact the Department of Agriculture for an exit interview to discuss repayment plans.

GENERAL

Final approval of all loans will be made by the Director of Agriculture and any committee he establishes for such purposes. This review will be in accordance with the generally established policies under this program.

If you desire further information, please contact the Montana Department of Agriculture, Rural Development Unit, Capitol Station, Helena, Montana 59601.

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